

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

\_\_\_\_\_  
FUTURE COMMUNICATIONS CORPORATION  
OF NEW YORK d/b/a VIRTUAL SERVICE

08-cv-01997 (JGK)

Plaintiff,

-against-

AMERICAN SECURITY SYSTEMS, INC.,  
and LAWRENCE T. DOLIN

Defendant  
\_\_\_\_\_

x

Declaration of Zeynel Karcioğlu

I, Zeynel Karcioğlu, attorney for Plaintiff in this matter, do declare under penalty of perjury, the following:

- 1) Attached as Exhibit 1 is a true and correct copy of an article entitled Security Products : Hip to be Square.
- 2) Attached as Exhibit 2 is a true and correct copy of a printout from the Bridge and Tunnel Blog dated August 23, 2007.
- 3) Attached as Exhibit 3 hereto is a true and correct copy of the New York Real Estate Journal, dated June 12, 2007.
- 4) Attached hereto as Exhibit 4, is a true and correct copy of a print out from the New York Times, October 9, 2007 NY Region Page.
- 5) Attached hereto as Exhibit 5, is a true and correct copy of a print out from the New York Times dated June 12, 2007.

6) Attached hereto as Exhibit 6, is a true and correct copy of a print out from am New York, dated August 23, 2007.

7) Attached hereto as Exhibit 7, is a true and correct copy of a print out from Real Estate Weekly , dated June 27, 2007.

Dated : June 16, 2007  
New York, NY

Respectfully submitted,

/s/

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Zeynel Karcioğlu

# Security Products

## Hip to be Small

*October 2007*

### New York's boutique boom creates new opportunities for the security industry

When people think of Manhattan, they usually envision soaring high rises equipped with white-gloved doormen or charming and luxurious prewar brownstones. Yet within the last year, the real estate market has seen a rise in a new and exciting breed of buildings -- what many are dubbing "the boutiques."

A growing pocket of new buildings, as well as older refurbished ones, have created a resurgence of interest from homebuyers and sellers within Manhattan. These boutique buildings, usually with less than 40 units and consisting of younger, tech-savvy clientele, are smaller than their more traditional counterparts, yet have fetched record prices for developers and homeowners alike. Why the trade in taste? It's all about demographics. For this clientele, these smaller buildings provide a much more intimate and personalized feeling without the high costs associated with maintaining the traditional amenities offered in older full-service buildings. In addition, these high-end buyers are looking for some degree of anonymity from their neighbors and the doorman and prefer the smaller set-up.

From a seller's perspective, the "boutique building" is attractive to leading developers who are looking to stake claim in emerging New York City neighborhoods such as the Upper West and Upper East sides and Brooklyn. Boutiques also are a way for builders to reallocate funds that would normally be used to maintain the needs of a large building. Instead, builders of boutiques use funds to provide more modern, functional and tech-infused amenities.

### High-Tech Luxury

This boutique buzz and need to reallocate funds have created new opportunities for security and convenience. Security, which once was a nice-to-have, is now a must-have -- and it comes in all forms. Security companies that are able to integrate not only traditional security systems, but also home automation and smart home systems into one streamlined package have partnered with developers to ensure amenities are incorporated well before ground is broken. New Web-based features enable homeowners to access their home's systems -- all via the Internet. Developers are installing systems like Virtual Doorman(tm), which offers security without the high cost of traditional doormen and includes smart home technologies.

In essence, more sophisticated boutique homebuyers are looking for more sophisticated technology, and customizations are now more common. Boutique homeowners are savvy, willing to pay for millions of dollars for a home, and are not willing to sacrifice security for privacy and anonymity. Luckily, the new technologies that exist today offer that balance. With technological breakthroughs such as remote services, biometric technologies, video analytics and smart home features, security systems today give building owners and residents a variety of options to better manage their homes. Systems are more scalable, enabling new residents in a boutique building to integrate and scale new features without a major assessment. Today's homeowners demand real-time notification, personalization and a variety of security management options. But the most important component of a successful system, however, is its ease of use and the assurance that it meets the everyday needs of its clients.

Video surveillance, for example, can be taken to a new level when used with the Web to allow boutique homeowners to tailor their apartment access and entry by individual preference. For instance, with a secure Internet connection, a homeowner should be able to add, change or delete authorized access for specific

visitors (e.g. cleaning staff, realtor, nanny or babysitter) Access can be set by time or date, and a homeowner can receive instant e-mail notification of package deliveries, maintenance visits or visitor arrivals at the home or office. Technology solutions that work with this group of buyers include the ability to self-control cameras within their own apartments, or being able to self-access spare keys if a homeowner gets locked out.

Maintenance management is another key area that boutique homeowners are concerned about. Building owners and residents should be able to send requests to maintenance and repair services companies, schedule appointments and monitor the work conducted within the apartment. By doing so, building owners can ensure that proper work has been completed and immediately identify any problems or follow-up repair work that needs to occur.

### **A Growing Trend**

This heightened interest in boutique buildings has spawned exciting collaboration between security vendors, developers and realtors. They all have become more interdependent, each group needing to be preemptive and educated on the others' strategy to ensure increased valuation of each boutique home that comes to market.

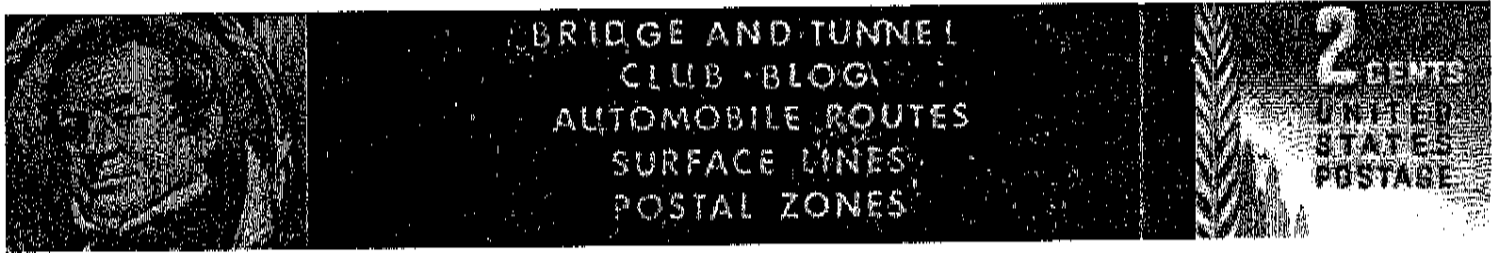
The luxury building marketplace in Manhattan is increasingly competitive; the average price is from \$575 to \$725 per square foot in the boroughs and from \$1,200 to \$2,000 per square foot in Manhattan. Therefore, developers are challenged to add the right mix of luxury and convenience without pricing themselves above the market. The need to increase the value of their real estate investment has caused both developers and homeowners to look at security and other technology amenities as enhancements that will help differentiate their properties from others. Realtors are becoming more involved in providing feedback to developers and security vendors about what their clients' needs are in order to increase their return rate and justify their realtor costs. Security vendors are opening the lines of communications to both parties to ensure their products are in sync with the boutique market in terms of demand, usability and price point.

There is good indication that the "boutique boom" that is occurring in Manhattan will trickle to other parts of the nation. Keen areas of development and interest within other urban locations, such as Philadelphia and Boston, have sprung up. Interestingly, yet unsurprisingly, the vacation and second-home areas where Manhattan dwellers visit, such as the Hamptons and Naples, Fla., seem to be adopting this trend, not just within multi-tenant buildings, but also with gated, single-family home communities.

Needless to say, the boutique boom is an exciting market to watch and is one that offers plenty of opportunity for fresh innovation in the security world.

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Posted by Scott at 01:10 AM in What Will They Think Of Next?

**August 23, 2007**

## **OK Computer!**

And the best thing is that you'll never again have to worry about the Christmas tip:

*[Colin] Foster is the vice president of sales and marketing for Virtual Doorman, the top product of a security firm called Virtual Service, which promises to offer residents and managers of small buildings the services of a professional doorman at a fraction of the cost -- without skimping on security or convenience.*

*It used to be that small walkups were second-class buildings," Foster said. "They did not fetch the same pricing as a doorman building. Now, small buildings can offer those same amenities."*

*Virtual Doorman is a standalone, computerized system that integrates with a building's own computers while linking its high-end color video monitors with the building's existing intercoms, Foster said.*

*The electronic system is manned remotely 24 hours a day by a third-party agency that is linked directly to the building's local fire department, police and medical services.*

*The system is monitored constantly, and can perform all the tasks of an old-fashioned, human doorman, Foster said, including screening guests, accepting deliveries and laundry, and unlocking doors for tenants who lost their keys.*

*Foster insists man and machine can co-exist. It is written into their policy that Virtual Doorman will not replace any members of 32BJ, the union that represents workers including New York doormen.*

*Still, the union thinks there's no substitution for old-fashioned manpower. "The experience and training of doormen, combined with their familiarity of residents cannot be replaced by electronic services that control building access from remote locations," according to a 32BJ statement.*

*"The safety of New Yorkers living in condominiums and apartments belongs in the real-life hands of diligent doormen who can maintain on-site control of their buildings."*



TUESDAY, JUNE 12, 2007



REPRINTED FROM THE

NEW YORK

# Real Estate Journal

COVERING ALL OF LONG ISLAND, NEW YORK CITY AND UPSTATE NEW YORK

## REDEFINING THE ROLE OF THE DOORMAN WITH CREATIVE SURVEILLANCE TECHNOLOGY

### Virtual Doorman helps NYC property owners boost security and property value

NEW YORK, NY Virtual Service is reshaping the role of the traditional doorman with the launch of the latest version of its flagship product, Virtual Doorman, which provides a cost effective, convenient and secure alternative for residences seeking an alternative to around-the-clock security or doormen. Now, regardless of address or size of building, developers can install Virtual Doorman to maintain heightened security in a building at a fraction of the cost of employing a concierge or doorman. In addition, Virtual Doorman provides tenants of these buildings with the luxury and convenience of a doorman as well as the assurance of 24/7 monitoring of their property.

According to union figures and recent reports in the New York Times, a building typically spends an average of \$80,000 per year per doorman in wages, overtime and benefits. Given that typically a building employs four to six doormen, working three daily shifts on weekends and weekdays, that translates to between \$275,000 and \$400,000 per year. Virtual Doorman costs only 15-20% of that cost, making it an excellent investment. It is an ideal solution for developers and property managers of smaller luxury apartment buildings, new complexes or multifamily homes with 4-60 units who wish to offer a high level of convenience and

**Virtual Doorman uses a secure Internet connection and integrated digital CCTV, cameras, intercom devices, monitoring equipment and access control systems.**

security to their tenants, without pricing them out of the market.

"Virtual Doorman has changed how we integrate and market security and concierge features in our buildings," said Ross Berman, of NY Citewise, LLC. "It was remarkably easy to install and has given us an edge over other buildings. We no longer have to pass the extra hundreds or thousand plus dollars to our tenants to maintain a doorman, and can still offer them the same—if not better—level of security and attention. Our buyers love it. As busy professionals, they not only appreciate the convenience of having Virtual Doorman, but also the relief of having some anonymity and no holiday tipping expenses."

#### How Virtual Doorman Works

The beauty of Virtual Doorman lies in that it is a complete and customizable service, offering visitor and package reception service, security and building management rolled into one system. At the building, a "virtual attendant" uses a series of well-positioned surveillance cameras and Web-based technologies to efficiently interface with visitors, residents and package

delivery services. Virtual Doorman also helps tenants with day-to-day tasks such as unlocking their doors if they have forgotten keys, letting pre-approved guests into their apartments if they are away, and accepting delivery of packages or dry cleaning.

"Virtual Doorman offers the New York Metro and Tri-State area a unique solution. It brings convenience, security and peace of mind for tenants, and enhanced property value and prestige for building owners. These are real competitive advantages in New York's ultra-aggressive real estate market. It's a win-win package for building owners, realtors, and tenants," said Colin Foster, vice president of sales and marketing for Virtual Doorman.

#### System Features

Virtual Doorman provides three main features as part of its overall package: Building Access Control, Interactive Video Surveillance and Visitor Management. Building Access Control ensures that only authorized tenants and their guests can enter; it acts as an additional safeguard by denying entry to intrud-

ers and providing a time record of authorized entries. Video Surveillance uses a variety of strategically placed indoor and outdoor cameras to deliver high-resolution images and video footage which can easily be retrieved if needed. Videoconferencing technology is integrated to offer additional functionality and two-way video. Visitor Management is a sophisticated Web-based system that provides customized access to visitors and delivery personnel. The system automatically manages entry, drop off, and tenant notification of package delivery and other services.

Virtual Doorman uses a secure Internet connection and integrated digital CCTV, cameras, intercom devices, monitoring equipment and access control systems. These elements are integrated into one secure, streamlined platform that is operated remotely by the Virtual Doorman operators; residential properties are monitored continuously to ensure controlled access to the premises and the utmost in security.

In the future, the company plans to broaden its geographic reach to areas in the Northeast and eventually nationwide through its dealer network. The company also plans to expand its scope to market Virtual Doorman to office buildings, college dormitories and/or smaller, luxury gated communities.

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The New York Times

Tuesday, October 9, 2007

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A security company has developed an electronic system, Virtual Doorman, that it claims can perform the functions of human doormen, "including screening guests, accepting deliveries and laundry, and unlocking doors for tenants who lost their keys." [amNew York]

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# The New York Times

## DealBook

Edited by Andrew Ross Sorkin

### This Start-Up Would Like You to Meet Your Virtual Doorman

June 12, 2007, 7:51 am

The doorman occupies a complex spot in the New York City class system: the doorman is at once status-symbol, diplomat and taxi-hailer. And now, he may be virtual, if one start-up has its way.

BusinessWeek notes that New York-based **Virtual Service** announced an upgrade to its "Virtual Doorman" that enables users to interact with a service programmed to handle everything from unlocking your apartment door for the dog walker to accepting packages and turning away solicitors.

Colin Foster, one of the co-founders of Virtual Service, says the technology has begun to take off as young, tech-savvy users enter New York's real-estate market. "Younger, hip Wall Streeters are buying luxury apartments and they want a small building with all the amenities," Mr. Foster told BusinessWeek. By next spring, the company plans to introduce the virtual doorman in other cities such as Boston and Washington.

The upside, according to the company, is price and privacy. As smaller luxury buildings come into demand, the \$30,000-plus salary in addition to health-care coverage and other benefits can become cost prohibitive for the tenants. And the people who move into smaller buildings don't necessarily want to be on a first-name basis with the guy who monitors the door, according to Mr. Foster.

In an April article, The New York Times noted a growing anti-doorman trend in the city.

"Doormen know everything," Stephen C. Brandman, the chief operating officer of Thompson Hotels, a luxury boutique hotel chain, told The Times.

"The challenge becomes when you have overnight guests; sometimes the doormen share their thoughts about that," said Mr. Brandman, referring to unsolicited remarks garnered during his bachelor life. "Sometimes they wanted to know why ex-girlfriends had come back into the picture, so there would be running commentary."

The Times noted that even most doormen would apparently rather live without a doorman even if they could afford it.



# New York

August 23, 2007

## Technology takes the 'man' out of doorman



Colin Foster from Virtual Doorman says the technology offers concierge service at a fraction of the cost. (Photo by Jefferson Siegel / August 22, 2007)

By Andrew Lisa, *amNewYork* Business Editor | [allsa@am-ny.com](mailto:allsa@am-ny.com)

August 23, 2007

Colin Foster doesn't envision a New York without doormen, he just pictures a new kind of concierge manning the lobbies of buildings that otherwise wouldn't have one.

The buildings he's targeting are smaller structures with just a handful of units, and the person he wants to service the entrance isn't really a person at all.

Foster is the vice president of sales and marketing for Virtual Doorman, the top product of a security firm called Virtual Service, which promises to offer residents and managers of small buildings the services of a professional doorman at a fraction of the cost -- without skimping on security or convenience.

"It used to be that small walkups were second-class buildings," Foster said. "They did not fetch the same pricing as a doorman building. Now, small buildings can offer those same amenities."

#### **A new kind of doorman**

Virtual Doorman is a standalone, computerized system that integrates with a building's own computers while linking its high-end color video monitors with the building's existing intercoms, Foster said.

The electronic system is manned remotely 24 hours a day by a third-party agency that is linked directly to the building's local fire department, police and medical services.

The system is monitored constantly, and can perform all the tasks of an old-fashioned, human doorman, Foster said, including screening guests, accepting deliveries and laundry, and unlocking doors for tenants who lost their keys.

#### **What about real doormen?**

Foster insists man and machine can co-exist. It is written into their policy that Virtual Doorman will not replace any members of 32BJ, the union that represents workers including New York doormen.

Most times, Foster said, they would simply never encounter a competitive situation because the buildings they target are small walkups with a few units that could never otherwise afford traditional doorman service.

"[Buildings with] 40 to 60 units are our sweet spot," Foster said. "We stay in that space."

And the rare occasions when Virtual Doorman is in a building with a traditional concierge, the service steps in only during off-peak hours. "In those buildings," Foster said, "We take the after-hour shifts where the building doesn't need to pay a doorman."

Still, the union thinks there's no substitution for old-fashioned manpower. "The experience and training of doormen, combined with their familiarity of residents cannot be replaced by electronic services that control building access from remote locations," according to a 32BJ statement.

"The safety of New Yorkers living in condominiums and apartments belongs in the real-life hands of diligent doormen who can maintain on-site control of their buildings."

According to union figures, Manhattan buildings spend an average of \$80,000 per year per doorman in wages, overtime and benefits. Virtual Service says a typical building employs four to six doormen, working three daily shifts on weekends and weekdays. That's \$275,000 to \$400,000 per year. Virtual Doorman insists their service costs only 15-20 percent of that.

#### **A growing trend?**

Foster says nearly all of the building managers and owners who have tried Virtual Doorman renew their contracts and even expand it to other buildings they own. "Ninety-three buildings are [currently] online," Foster said. "For the new generation, Gen 2, we have 14 buildings. A third generation will launch in September."

The older generations can easily upgrade, Foster said.

Virtual Doorman "has given us an edge over other buildings," said Ross Berman, a partner with real estate developer Citiwise LLC. "We no longer have to pass the extra hundreds or thousands-plus dollars to our tenants to maintain a doorman, and can still offer them the same -- if not better -- level of security and attention. Our tenants love it."

Jeff Bennett, who owns buildings in Manhattan, said he can seek higher rents in his two Virtual Doorman buildings, and that tenants are happy. "It's a big amenity," Bennett said.

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